



Wisconsin Association of Benefit Specialists



September 30, 2005

Moya Thompson
2005 White House Conference on Aging
4350 East-West Highway
Bethesda, MD 20814

Re: Recommendations to the 2005 White House Conference on Aging
Submitted by the Wisconsin Association of Benefit Specialists

Dear Ms. Thompson,

The federal Older Americans Act mandates the provision of free legal services for elderly citizens. Wisconsin has chosen to provide these services to its seniors through the Benefit Specialist program. The Wisconsin Association of Benefit Specialists is the professional organization representing the elderly benefit specialists that are located in each of the 72 counties plus all of the tribes of Wisconsin. Attached are recommendations for policy changes that our organization is proposing for consideration at the 2005 White House Conference on Aging.

Thank you for your interest.

Sincerely,

Kathy Schultz, President
Wisconsin Association of Benefit Specialists

Attachment: 1

Cc: Helen Marks Dicks, Elder Law Center
Tom Frazier, Coalition of Wisconsin Aging Groups
Donna McDowell, Wisconsin Department of Health and Family Services
George Potaracke, Wisconsin Board on Aging and Long Term Care

Recommendations for the White House Conference on Aging

1. Supplemental Security Income (SSI)

The federal government should modify SSI law to:

- a. Raise the benefit level from the current 75% of the poverty level to 100% of the federal poverty level and continue to maintain its real value through the annual COLA.
- b. Restore the SSI asset limit to the real value it had when the program started in 1974 and adjust it each year for inflation to maintain that real value. (1974-\$1500 = 2005-\$6,000 individual/\$9,000 couple)
- c. Eliminate the counting of in-kind support and maintenance provided by family and friends as recipient income because it penalizes and deters family care-giving and informal support.

2. Medicaid

- a. Allow states to raise their medically needy income limit for Medicaid by repealing the provision put in federal Medicaid law in **1967** which restricts the limit to 1 1/3 the AFDC payment standard. The result is that the medically needy income limits are frozen at levels below the SSI payment standards. The medically needy limit in Wisconsin is \$591.67 (now the same for single or couples), the SSI limit for a couple is \$1,001.05. The gaps grow each year with the SSI cost of living adjustment (COLA). What this means is prohibitively large deductibles to get Medicaid coverage, particularly for low-income couples. An example is a couple with \$1,000 in monthly income receives Medicaid without a deductible (through SSI) while a couple with \$1,002 must incur medical bills of \$2,462 within a six month period to get Medicaid coverage only for the rest of the six months before having to meet a new deductible.
- b. Eliminate estate recovery from federal Medicaid law as an unfair confiscatory estate tax on the poor at the same time estate taxes on the super-wealthy are being eliminated. If tax-supported benefits and services are to be treated as a repayable loan, apply that policy more broadly. This policy also is shown to be a barrier to needed services when Medicaid benefits are refused due to fears of losing their home.

3. Medicare Savings Programs (MSPs)

These benefits are highly under-utilized. The most economically vulnerable persons may qualify for these benefits if the eligibility limits were increased modestly. They have a very hard time affording the health insurance they need to supplement Medicare. Also, they are most at risk of spending down to full benefit Medicaid. For example, research has demonstrated that one of the major factors accounting for the low participation is the very restrictive asset test. Administrative barriers such as lengthy, complicated applications and perceived welfare stigma also deter use.

- a. The federal government should set the income and asset limits at the same levels used for low income subsidy (LIS) eligibility under Part D: income at 150% of the FPL; assets at \$10,000 individual/\$20,000 couple. States should have the option of using higher income and asset limits for MSP eligibility.
- b. An application for the LIS should also be an application for the MSPs and persons should be able to apply either with the Social Security Administration or the state Medicaid agency, as with the current LIS application.

4. Food Stamps

The \$10 minimum benefit has not been increased in living memory. It should be increased to at least \$30 and indexed to the CPI component for food. This is especially important given low food stamp use among older persons and what we know about the connections between nutrition and health. If it is a more meaningful amount people will enroll.